

AMENDED IN ASSEMBLY SEPTEMBER 4, 2003

AMENDED IN ASSEMBLY JULY 15, 2003

AMENDED IN ASSEMBLY JULY 1, 2003

AMENDED IN SENATE APRIL 22, 2003

**SENATE BILL**

**No. 971**

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**Introduced by Senator Burton**

February 21, 2003

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An act to add Sections 89500.3, 89500.5, and 89500.7 to the Education Code, relating to the California State University.

LEGISLATIVE COUNSEL'S DIGEST

SB 971, as amended, Burton. California State University: outside employment: courses in employee ethics.

Existing law establishes the California State University and its various campuses under the administration of the Trustees of the California State University. Existing law authorizes the trustees to hire employees to carry on the functions of the university.

This bill would prohibit an employee of the California State University who is a designated employee, as defined, from being a consultant or an employee of a for-profit business entity that provides services to the university in circumstances where the employee would serve the entity in the area of the employee's responsibilities with the university.

The bill would require each executive employee, managerial employee as defined, supervisory employee as defined, and full-time faculty unit employee of the university who holds any other employment during the period of his or her employment by the

university to report that employment to the trustees *in accordance with a prescribed procedure*. The bill would require an employee to whom this bill is applicable to make the report required by the bill on April 1, 2004, and thereafter, annually, or upon his or her appointment to an outside position, as defined. The bill would prescribe conditions for the development, by the trustees, of a form to be used for making this report by employees represented in their employment relations by an exclusive representative selected pursuant to the Higher Education Employer-Employee Relations Act.

The bill would require the trustees to offer, on at least a semiannual basis, to each of the university's filers, as defined, an orientation course on the relevant employee ethics statutes and regulations that govern official conduct. The bill would require a filer to attend the course periodically. The bill would require the university, before conducting each orientation course required by this section, to consult with staff of the Fair Political Practices Commission and the Attorney General regarding appropriate course content.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 89500.3 is added to the Education Code,  
2 to read:

3 89500.3. No employee of the California State University who  
4 is a designated employee under Article 3 (commencing with  
5 Section 87300) of Chapter 7 of Title 9 of the Government Code  
6 may be a consultant or an employee of a for-profit business entity  
7 that provides services to the university in circumstances where the  
8 employee would serve the entity in the area of the employee's  
9 responsibilities with the university. A violation of this section shall  
10 result in appropriate discipline or, in the case of an at-will  
11 employee of the university, may result in the dismissal of that  
12 employee.

13 SEC. 2. Section 89500.5 is added to the Education Code, to  
14 read:

15 89500.5. (a) Each executive employee, managerial  
16 employee, as defined in Section 3562 of the Government Code,  
17 supervisory employee, as defined in Section 3580.3 of the  
18 Government Code, and full-time faculty unit employee of the



1 university who holds any other employment during the period of  
2 his or her employment by the university shall report that  
3 employment to the trustees as specified in subdivisions (b) and (c).  
4 An employee to whom this section is applicable shall make the  
5 report required by this section on April 1, 2004. Thereafter, the  
6 report shall be made by the employee annually, or upon his or her  
7 appointment to an outside position.

8 (b) *Each executive employee, managerial employee as defined*  
9 *in Section 3562 of the Government Code, and supervisory*  
10 *employee as defined in Section 3580.3 of the Government Code*  
11 *shall provide the report required by this section to his or her direct*  
12 *supervisor.*

13 (c) *Each full-time faculty unit employee shall make the report*  
14 *required by this section to the dean of the college that includes the*  
15 *academic department in which he or she is employed.*

16 (d) As used in this section, “appointment to an outside  
17 position” includes the process of hiring, any subsequent  
18 adjustments in time to perform the outside work, and the  
19 discontinuation of the outside employment.

20 ~~(e)~~

21 (e) For employees represented in their employment relations  
22 by an exclusive representative selected pursuant to the Higher  
23 Education Employer-Employee Relations Act (Chapter 12  
24 (commencing with Section 3560) of Division 4 of Title 1 of the  
25 Government Code), the form of the report required by this section  
26 shall be a subject of bargaining under that act. The trustees shall  
27 prescribe the form of the report until the trustees and the exclusive  
28 representative reach agreement on a form.

29 ~~(d)~~

30 (f) This section shall have no effect on whether an employee is  
31 required to file a statement of economic interests under Article 3  
32 (commencing with Section 87300) of Chapter 7 of Title 9 of the  
33 Government Code.

34 ~~(e)~~

35 (g) The form prescribed by the trustees under subdivision ~~(e)~~  
36 (e), as well as the form subsequently developed by the trustees and  
37 the exclusive representative, shall each comply with all of the  
38 following:

39 (1) It shall consist of no more than one page.

(2) It shall not require reporting more often than annually or at the time of appointment to an outside position.

(3) It shall not require full-time faculty members to file a statement of economic interests except as prescribed in the Political Reform Act of 1974 (Title 9 (commencing with Section 81000) of the Government Code).

(4) It shall be limited in scope to the amount and approximate distribution of time devoted to continuous outside employment during the academic term to which the employee has been appointed.

SEC. 3. Section 89500.7 is added to the Education Code, to read:

89500.7. (a) (1) The trustees shall offer, on at least a semiannual basis, to each of the university's filers an orientation course on the relevant employee ethics statutes and regulations that govern official conduct.

(2) As used in this section, "filer" means a designated employee of the university who is required to file a Statement of Economic Interests in accordance with Article 3 (commencing with Section 87300) of Chapter 7 of Title 9 of the Government Code.

(b) The trustees shall maintain records that indicate attendance at courses offered pursuant to this section. These records shall identify the attendees by name, job title, and date of their attendance, and shall be maintained for a period of at least five years after each course is offered. These records shall be public records subject to inspection and copying in accordance with the Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of the Government Code).

(c) Each filer shall attend the orientation course established pursuant to subdivision (a) in accordance with both of the following:

(1) A filer who holds a designated position on January 1, 2004, shall attend not later than December 31, 2004, and thereafter, at least once during each consecutive period of two calendar years commencing on January 1, 2006.

(2) A person who becomes a filer after January 1, 2004, shall attend within six months after he or she becomes a filer and at least once during each consecutive period of two calendar years thereafter.

1 (d) The failure or refusal of a filer to attend an orientation  
2 course required by this section shall constitute a failure or refusal  
3 to perform the normal and reasonable duties of the position within  
4 the meaning of Section 89535, and shall subject the filer to  
5 discipline, including dismissal.

6 (e) Before conducting each orientation course required by this  
7 section, the university shall consult with staff of the Fair Political  
8 Practices Commission and the Attorney General regarding  
9 appropriate course content.

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